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CAROLINA, CLINCHFIELD AND OHIO RAILWAY

FIRST ANNUAL REPORT

TO THE

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FISCAL YEAR ENDED JUNE 30, 1911

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CAROLINA, CLINCHFIELD AND OHIO RAILWAY

BOARD OF DIRECTORS

EDWARD D. ADAMS
C. LEDYARD BLAIR
GEO. L. CARTER
JOHN B. DENNIS
WALLACE B. DONHAM
ISAAC T. MANN
MARK W. POTTER, *Chairman*
NORMAN B. REAM
ROBERT C. REAM
W. M. RITTER
WALTER T. ROSEN
THOS. F. RYAN
FRANK A. VANDERLIP
E. F. WATSON
W. K. WHIGHAM

EXECUTIVE OFFICERS

MARK W. POTTER, ...	*President*
M. J. CAPLES, .	*Vice-President and General Manager*
J. J. CAMPION, .	*Vice-President and Traffic Manager*
I. McQUILKIN, ...	*Comptroller*
J. C. STONE, ...	*Secretary and Treasurer*

GENERAL OFFICE, ...	JOHNSON CITY, TENN.
NEW YORK OFFICE, ...	24 BROAD STREET.

FIRST ANNUAL REPORT

New York, November 1, 1911.

To the Stockholders of the

Carolina, Clinchfield and Ohio Railway:

The First Annual Report of the Board of Directors for the fiscal year ended June 30, 1911, is submitted herewith. As this is the first report to the Stockholders, it is thought desirable to include a brief statement regarding the construction of the line of railway and the character and equipment thereof.

The Carolina, Clinchfield and Ohio Railway extends from Dante, Virginia, southerly through the southwestern part of Virginia, Eastern Tennessee and Western North Carolina, a distance of 224.1 miles, to the South Carolina State Line, where a connection is made with the line of railway of the Carolina, Clinchfield and Ohio Railway of South Carolina, which continues a further distance of 17.95 miles to the city of Spartanburg, S. C.; a total distance of 242.05 miles. While the South Carolina mileage, which constitutes part of the through system, is owned and operated by the separate company mentioned, its earnings are controlled by ownership of securities and for convenience the results of the operation of the entire mileage are dealt with as a whole. Branches and trackage mileage increase the total mileage to 256.10 on which regular train service is maintained. Of the total mileage mentioned, there are leased from the Elkhorn Southern Railway, an affiliated company, 5.6 miles of branch line and from the East Tennessee and Western North Carolina Railway Company 63/100 miles of main line in Johnson City, but the Company controls right of way immediately alongside of this short section leased from the Railway mentioned, so that whenever desirable to do so the Company is in position to construct and operate its own track in lieu of that portion now leased.

Between St. Paul, Va., and Kiser, Va., a distance of 8.45 miles, the line of the N. & W. railway is used under a trackage contract.

Connections are made with the following railways at the following places:

Norfolk & Western Railway at Kiser, Va., and St. Paul, Va.

Virginia & Southwestern Railway at Speers Ferry, Va.

East Tennessee & Western North Carolina Ry. at Johnson City, Tenn.

Southern Railway at Johnson City, Tenn., Marion, N. C., and Spartanburg, S. C.

Seaboard Air Line Railway at Bostic, N. C.

Black Mountain Railway at Boonford, N. C.

Charleston & Western Carolina Ry. (Atlantic Coast Line System) at Spartanburg, S. C.

The line was opened for traffic between Dante, Va., and Bostic, N. C., March 22, 1909. The line from Bostic to Spartanburg was opened for traffic December 12, 1909.

The Carolina, Clinchfield and Ohio Railway was projected and built to provide a railway connecting the coal fields of Southwestern Virginia and Eastern Kentucky on the north with the Carolinas and adjacent states in the South and furnishing a new and short route to and from points northwest and southeast of the Blue Ridge Mountains upon which the cost of operation would be materially lower than upon competing lines and over which improved service would be rendered. The construction of this line not only facilitates the development of a large coal business in the South but also provides a line of less resistance than any heretofore existing between the territory north of the Ohio River and the South Atlantic States and ports thereof.

Low grades, especially against southbound movement, were adopted to reduce train mileage and lower transportation cost. The roadbed was in the first instance built in the most substantial manner, with a view to keeping the cost of maintenance of way down to a minimum.

The grades are such that southbound freight trains may be loaded for a grade of 3/10 of 1 per cent. by using helper engines to assist these trains over short sections of heavier grade. Of the 242.05 miles between Dante and Spartanburg, the only grades so great as 1 per cent. are upon 8.3 miles located just north of Erwin—the First Division Terminal, and 10.1 miles immediately south of this terminal. The location of these grades is a decided advantage in the economical operation of the road, making it possible to use a minimum number of helper engines to assist trains. The next heaviest grade is 8/10 of 1 per cent. compensated, extending over short sections of the 40 miles between Poplar and Altapass and aggregating 15 miles in length. With these exceptions there are no grades against southbound movement greater than 5/10 of 1 per cent. The heaviest grade against northbound movement is 1.2 per cent. up the easterly slope of the Blue Ridge Mountains.

The road was constructed in accordance with the best prevailing practice. The cuts and embankments are wide, so that the track may be kept clear, drainage maintained in cuts and the inevitable settlement which always takes place on a newly constructed road may be overcome at a minimum of expense. The main track is laid throughout with 85 lb. and 90 lb. rails. Cross-ties are of white oak 7″ deep, 9″ wide, 8′-6″ long, spaced about 19 to each 33 ft. rail. Tie plates have been used on all curves of 3 degrees and over. With the exception of 12 miles, track is ballasted thoroughout with an average of 2,000 cubic yards of broken stone or furnace slag per mile—the furnace slag having been used on embankments liable to further settlement and where it will provide an excellent base for stone ballast. On embankments on the southerly end of the line, where for 12 miles sand ballast was used, it will be replaced with stone after the embankments have settled.

All important bridges are built with concrete abutments and piers with steel superstructures, designed under Cooper's E60 specifications. This standard, though in advance of the general practice of other roads when the bridges were constructed, has since been adopted by many of the leading railroads of the country. The general adoption of the Mallet type of locomotive, of which only one or two were in use when the Carolina, Clinchfield and Ohio Railway was projected, is a justification of the heavy bridge construction. The superior construction of the line has made it possible at a cost per mile that would ordinarily be considered insufficient for maintenance alone, to not only maintain the property at a high standard but also to make substantial improvements out of the amounts expended.

Passing sidings with a capacity of from 100 to 120 cars are provided, generally eight miles apart and at certain places four miles apart. The locations for these sidings were selected to favor the loaded movement and to facilitate the starting of long, heavy freight trains.

Water tanks are of substantial construction and were built at the ends of passing sidings, so as to favor the heavy traffic and reduce to a minimum the number of stops of freight trains. Nearly one-half of the water tanks on the line are supplied by gravity, and excellent water is supplied to all.

The locomotives are of the latest design and best construction. The smallest freight locomotives purchased are of the Consolidation type, weighing 100 tons, and the standard locomotives for hauling coal are of the Mallet type, weighing 185 tons. The passenger locomotives are all of modern type, well adapted to the work of the road. In the adoption of designs for locomotives care was taken to make as many of the wearing parts as possible interchangeable, thereby reducing to a minimum the cost of material to be kept on hand for locomotive repairs.

GENERAL RESULTS

A summary of the results of operation is shown below:

Operating Revenue (increase $660,364.44, or 57.35%)	$1,811,755 32	
Operating Expenses (increase $221,623.25, or 28.55%)	997,857 69	
Net Operating Revenue (increase $438,741.19, or 116.95%)		$813,897 63
Taxes (increase $18,712.89)		66,508 28
		$747,389 35
Miscellaneous Income (increase $14,866.19)		157,234 69
Total Income (increase $434,894.49)		$904,624 04
Interest, rentals and other fixed charges (increase $187,783.61)		1,042,704 73
Deficit carried to Profit and Loss (decrease $247,110.88)		$138,080 69

The complete Income Account appears in the appendix.

OPERATING REVENUES

MERCHANDISE FREIGHT OTHER THAN COAL

The revenues from transportation of merchandise freight amounted to four hundred and forty-eight thousand eight hundred and ninety-three dollars and seventy-seven cents ($448,893.77), being an increase of one hundred and eighty-five thousand one hundred and sixteen dollars and seven cents ($185,116.07) as compared with last year.

The tonnage moved was 326,907 tons, an increase of 146,844 tons as compared with previous year.

The number of tons carried one mile amounted to 25,731,029, an increase of 14,732,780.

The average haul increased from 61.08 to 78.71 miles, an increase of 17.63 miles.

The Percentage of Revenue derived from the transportation of merchandise freight to Gross Revenues was 24.78 per cent., an increase of 1.87 per cent. as compared with the previous year.

COAL FREIGHT

From transportation of coal there was derived the sum of one million one hundred and forty thousand six hundred and six dollars and thirty-two cents ($1,140,606.32), an increase of four hundred and thirty-one thousand twenty-seven dollars and twenty-nine cents ($431,027.29).

The coal tonnage transported amounted to 1,404,498 tons, an increase of 597,464 tons over previous year.

The number of tons carried one mile amounted to 287,233,685, an increase over previous year of 131,238,331.

The average haul increased from 193.29 to 204.51 miles, an increase of 11.22 miles.

The percentage of Coal Revenues to Gross Revenues was 62.95 per cent., an increase of 1.32 per cent.

ENTIRE FREIGHT TRAFFIC

The total freight revenue derived was one million five hundred and eighty-nine thousand five hundred dollars and nine cents ($1,589,500.09), an increase of six hundred and sixteen thousand one hundred and forty-three dollars and thirty-six cents ($616,143.36).

Combining merchandise and coal, the entire freight traffic amounted to 1,731,405 tons, being an increase of 744,308 tons.

The number of tons carried one mile was 312,964,714, an increase of 145,971,111.

The average distance carried was 180.76 miles, an increase of 11.58 miles.

The average revenue per ton was 91.80 cents, as against 98.61 cents last year, being a decrease of 6.81 cents.

The total freight train mileage was 363,284, an increase of 151,682 miles.

The average train load of revenue freight was 861.49 tons, an increase of 72.30 tons.

The average number of tons of revenue freight in each loaded car was 41.03 tons, an increase of 1.34 tons.

In addition to the above tonnage, company's freight amounted to 135,526 tons, being an increase of 34,838 tons.

PASSENGER TRAFFIC

From passenger traffic, the revenue derived was one hundred and seventy-one thousand five hundred and four dollars and eighteen cents ($171,504.18), an increase of twenty-nine thousand five hundred and forty-eight dollars and fifteen cents ($29,548.15).

Total number of passengers carried was 335,894, an increase of 47,614.

The number of passengers carried one mile was 7,332,573, an increase of 1,483,366.

The average distance traveled by each passenger was 21.83 miles, an increase of 1.54 miles.

The average revenue paid by each passenger was 51.06 cents, an increase of 1.82 cents.

Passenger train mileage was 374,036, an increase of 98,988 miles.

EXPRESS REVENUE

Express revenue amounted to eight thousand seven hundred and forty-two dollars and nineteen cents ($8,742.19) an increase of one thousand eight hundred and fifty-five dollars and ninety-six cents ($1,855.96).

MAIL REVENUE

The revenue derived from carrying United States Mail was eleven thousand four hundred and twenty-eight dollars and seventy-three cents ($11,428.73), an increase of one thousand one hundred and one dollars and twenty cents ($1,101.20).

MISCELLANEOUS REVENUES

These consist of revenues derived from chartered trains, other passenger train revenue, switching revenue, station and train privileges, storage on freight and baggage, car service, telephone service, rents of buildings and property, and miscellaneous, and amount to thirty thousand, five hundred and eighty dollars and thirteen cents ($30,580.13), an increase of eleven thousand, seven hundred and fifteen dollars and seventy-seven cents ($11,715.77).

OPERATING EXPENSES

MAINTENANCE OF WAY

The expenditure for Maintenance of Way and Structures amounted to $165,200.50 or $646.40 per mile operated. The expenditure for Maintenance of Way and Structures for the previous year was $610.24 per mile operated. The increase is $32.16 or 5.2 per cent. and is due to the increased traffic and the removal of one large slide at Mile Post 205.5. The property has been fully maintained in every respect.

MAINTENANCE OF EQUIPMENT

The total expenses for the Maintenance of Equipment during the year amounted to $238,335.53, an increase over the previous year of $47,746.12 or 25.05 per cent. This increase of expense is due to the increase in the amount of equipment in service and the growth of traffic. Included in the expenses for the year is an arbitrary charge for depreciation of equipment, in compliance with the accounting regulations of the Interstate Commerce Commission.

New equipment purchased during the year was charged to Additions and Betterments. The equipment acquired consisted of 4 locomotives purchased and 9 leased under trust agreement; 1 wooden express car and 12 steel underframe coaches, 1,000 steel 50-ton hopper cars and 1 derrick car. The changes in equipment and the unit costs of maintenance are fully shown in the equipment list shown elsewhere.

TRAFFIC EXPENSE

The expenditures under this heading amounted to $81,304.65, an increase of $14,986.56 over the previous twelve months. This is due to increased expenditures for solicitation of traffic, and while the total traffic expenditures are heavy for the mileage of the road, it is believed a liberal policy is advisable at the present time to develop, secure and establish our share of competitive business.

CONDUCTING TRANSPORTATION

The total cost of conducting transportation was $406,676.47, an increase over the previous year of $135,808.82 or 50.1 per cent. This is due to the larger mileage operated and the increase of traffic; the increase in the revenue ton-miles over the previous year being 87.4 per cent. The ratio of transportation expenses to total operating revenues was 22.45 per cent. as compared with 23.53 per cent. last year, a decrease of 1.08 per cent.

GENERAL EXPENSES

The expenditures for general administration were for the year, $106,340.54 as compared with $112,711.14 for the previous year, a reduction of 5.6 per cent.

CAPITAL STOCK

The Capital Stock of Carolina, Clinchfield and Ohio Railway consists of:

150,000 shares Common Stock, par value $100 each............	$15,000,000
150,000 shares Preferred Stock, par value $100 each.	15,000,000
Total..	$30,000,000

GENERAL REMARKS

The Railway's traffic and earnings may be relied upon to continue to increase. The coal mines on the line are steadily increasing their output and additional mines are being planned. The present mines have been unable to supply the demand for their coals in the South Atlantic States and there can be marketed in those States over the rails of this Company a tonnage substantially greater than anything heretofore handled. The domestic market for these coals will naturally increase with the development of the South.

General business is increasing and a continued increase is certain. The timber resources of the line are exceptional. New operations are opening up and for many years the road will have an increasing tonnage from this source. The facilities afforded by the Railway, for opening up and developing the resources of the country through which it passes, are attracting capital for the establishment of industries at many points along the line, and the population served is rapidly increasing.

Several wood-working plants are now in operation and are increasing their capacity.

Developments of important proven deposits of felspar, kaolin, mica and barytes are being commercially operated and there is an apparent market for a vastly increased output.

The resources mentioned and others not mentioned amply warrant the expectation of a steadily increasing general tonnage from the present mileage.

General development of the South and particularly of the Carolinas, Tennessee, Georgia and Florida, which are the southern states primarily served by the Clinchfield Railway, has been rapid and substantial. With a population of 33,000,000 or 17,000,000 less than the population of the whole country in 1880, the South has more capital invested in manufacturing than the United States had in 1880 and is producing more from its farms and mines and cutting more lumber than did the United States thirty years ago. The annual production from agriculture, mining, manufacturing and fisheries is now of the value of $8,000,000,000 and the natural resources, growing population, central location and market facilities warrant the rapid growth to several times the present volume. With over 17,000 miles of navigable streams, 3,000 miles of coast line and more than thirty ports, the South is now handling more than $900,000,000 of foreign commerce, which is rapidly increasing as commercial relations with southern countries are expanding. Individual deposits in national banks in the South are to-day $83,000,000 greater than the amount of such deposits in the national banks of the country in 1880.

In the states served by the Clinchfield Railway, agricultural and industrial development and growth are now going on more vigorously than at any time heretofore, along substantial and conservative lines. Industries are of diversified character. Raw material resources are being converted into manufactured product in increasing volume, and labor conditions are excellent. Cities and villages are growing and extensive building operations are under way everywhere. State and municipal improvements are being made upon an extensive scale. General conditions are sound, and on every hand there is increasing prosperity.

More capital is now available for agricultural and industrial development than at any time heretofore and confidence in the South, its enterprises and development, is greater than at any time heretofore. The advantages of the position of the South Atlantic States and their ports in the commerce of the world are becoming more and more realized and utilized. Everything that makes for the extension of commerce between the Central West and Northwest and Southern Europe, the West Indies, Central America, South America and places and countries reached via the Panama Canal must increase business through southern ports and over southern railroads, and contribute to the local development of the South. With an abundance of cheap raw materials, a mild climate and central location, as regards the commerce of the world, the development of manufacturing enterprises in the South must continue. This, in turn, must increase the interchange between the Northwest and the Southeast of the products of their respective manufacturing establishments and of food stuffs, resulting in an increasing traffic for the Clinchfield Railway, which is the line of least resistance between the Southeast and the Northwest.

The Board acknowledges the fidelity and efficiency of the officers and employees of the Company.

For the Board of Directors,

MARK W. POTTER,
President.

STATEMENTS AND STATISTICS.

GENERAL INCOME ACCOUNT

CAROLINA, CLINCHFIELD AND OHIO RAILWAYS

FOR THE YEAR ENDED JUNE 30, 1911, AND COMPARISON WITH PREVIOUS YEAR

	1911	1911	1910	Increase or Decrease.
Operating Revenues				
Freight	$1,589,500 09		$973,356 73	$616,143 36
Passenger	171,504 18		141,956 03	29,548 15
Mail	11,428 73		10,327 53	1,101 20
Express	8,742 19		6,886 23	1,855 96
Miscellaneous	30,580 13		18,864 36	11,715 77
Total operating revenues		$1,811,755 32	$1,151,390 88	$660,364 44
Operating Expenses				
Maintenance of way and structures	$165,200 50		$135,748 15	$29,452 35
Maintenance of equipment	238,335 53		190,589 41	47,746 12
Traffic expenses	81,304 65		66,318 09	14,986 56
Transportation expenses	406,676 47		270,867 65	135,808 82
General expenses	106,340 54		112,711 14	D *6,370 60*
Total operating expenses		997,857 69	$776,234 44	$221,623 25
Ratio of operating expenses to operating revenues		55.08%	67.42%	
Net Operating Revenue		$813,897 63	$375,156 44	$438,741 19
Taxes		66,508 28	47,795 39	18,712 89
Operating Income		$747,389 35	$327,361 05	$420,028 30
Miscellaneous Income				
Hire of equipment		157,234 69	142,368 50	14,866 19
From which deduct:		$904,624 04	$469,729 55	$434,894 49
Interest on loans and accounts	$4,053 86		11,699 61	D *7,645 75*
Rental of joint facilities	7,784 51		4,704 77	3,079 74
		11,838 37	$16,404 38	D *$4.566 01*
Total Income		$892,785 67	$453,325 17	$439,460 50
Deductions from Income				
Interest on funded debt	$880,000 00		$715,703 65	$164,296 35
Interest on equipment trusts	150,866 36		122,813 09	28,053 27
		1,030,866 36	$838,516 74	$192,349 62
Net deficit		$138,080 69	$385,191 57	D *$247,110 88*

STATEMENT OF FUNDED DEBT AND EQUIPMENT NOTES.

Liens Created by	Character of Lien	Amount Outstanding	Date of Maturity	Rate per Annum	Date Payable	Interest Accrued During Year
Carolina, Clinchfield and Ohio Ry...	First Mortgage Coupon Convertible to Registered (1)..	$10,000,000	June 1, 1938	5%	June and Dec.	$500,000 00
Carolina, Clinchfield and Ohio Ry...	Ten Year Coupon Bonds.....	5,000,000	July 1, 1919	5%	Jan. and July	250,000 00
Lick Creek & Lake Erie R. R. Co...	First Mortgage Coupon Bonds...	200,000	Jan. 1, 1933	5%	Jan. and July	10,000 00
Carolina, Clinchfield and Ohio Ry...	Collateral Trust Note	1,000,000	Jan. 1, 1912	6%	July and Jan.	60,000 00
Carolina, Clinchfield and Ohio Ry...	Collateral Trust Note...	1,000,000	Feb. 15, 1911	6%	Aug. and Feb.	60,000 00
Carolina, Clinchfield and Ohio Ry...	Equipment Trust Notes, Series A...	2,080,000	$130,000 Matures June 1st and Dec. 1st	5%	June and Dec.	106,166 67
Carolina, Clinchfield and Ohio Ry...	Equipment Trust Notes Series B...	950,000	$50,000 Matures Jan. 15th and July 15th	5%	Jan. and July	46,319 44
	Total...	$20,230,000				$1,032,486 11
Less proportion of interest charged Additions and Betterments...						1,619 75
Net charges against income...						$1,030,866 36

CAROLINA, CLINCHFIELD AND OHIO RAILWAY OF SOUTH CAROLINA.

Carolina, Clinchfield and Ohio Ry. of South Carolina..... ..	First Mortgage Coupon Bonds...	$3,000,000	June 1, 1938	5%	June and Dec.	$150,000 (2)

(1) Does not include $3,075,000 pledged as collateral nor $75,000 held in treasury.

(2) Accrues to C., C. & O. Ry.

GENERAL BALANCE SHEET

CAROLINA, CLINCHFIELD

ASSETS

PROPERTY OWNED AS INVESTMENT		
Physical property owned		
Road and equipment since June 30, 1907		
Road	$40,703,131 02	
Equipment	4,853,750 04	
General expenditures	322,589 99	
	$45,879,471 05	
Reserve for Accrued Depreciation on equipment	160,557 75	
		$45,718,913 30
SECURITIES OWNED		
First mortgage bonds pledged as collateral	$3,000,000 00	
First mortgage bonds of C. C. & O. Ry. of S. C.	3,000,000 00	
		6,000,000 00
WORKING ASSETS		
Cash	$350,449 47	
Loans on bills receivable	6,208 80	
Traffic and car service balances due from other companies	69,968 55	
Net balance due from agents and conductors	34,653 19	
Miscellaneous accounts receivable	381,500 82	
Materials and supplies	151,879 87	
Other working assets	39,814 04	
		1,034,474 74
ACCRUED INTEREST NOT DUE		
Unmatured interest, dividends and rents receivable		47 60
DEFERRED DEBIT ITEMS		
Advances	$857,984 73	
Rents and insurance paid in advance	2,796 20	
Unextinguished discount on securities	501,383 34	
Other deferred debit items	34,569 27	
		1,396,733 54
PROFIT AND LOSS		
Balance	$753,947 68	
Income, 1910-1911	12,651 76	
		766,599 44
Total Assets		$54,916,768 62

CAROLINA, CLINCHFIELD AND OHIO

PROPERTY INVESTMENT		
Road and equipment		
Road		$3,027,907 10
WORKING ASSETS		
Cash	$7,622 89	
Net balance due from agents	34,892 04	
Miscellaneous accounts receivable	29,786 40	
		72,301 33
DEFERRED DEBIT ITEMS		
Other deferred debit items		468 42
PROFIT AND LOSS		
Balance	$73,219 11	
Income account, 1910-1911	125,428 93	
		198,648 04
Total Assets		$3,299,324 89

JUNE 30, 1911

AND OHIO RAILWAY

LIABILITIES

STOCK			
Capital stock			
Common stock		$15,000,000 00	
Preferred stock		15,000,000 00	
			$30,000,000 00
MORTGAGE, BONDED AND SECURED DEBT			
Funded debt			
First Mortgage Five Per Cent. Gold Bonds	$13,150,000		
Less—Held in treasury	150,000		
		$13,000,000 00	
Ten Year Five Per Cent. Gold Notes		5,000,000 00	
Equipment Gold Notes, Series A		2,080,000 00	
Equipment Gold Notes, Series B		950,000 00	
L. C. & L. E. R. R. Co. First Mortgage Bonds		200,000 00	
Collateral Notes due December 30, 1910		450,000 00	
Collateral Notes due January 1, 1912		1,000,000 00	
Collateral Notes dated February 15, 1911		1,000,000 00	
			23,680,000 00
WORKING LIABILITIES			
Traffic and car service balances due to other companies		$24,257 41	
Audited vouchers and wages unpaid		132,649 83	
Miscellaneous accounts payable		1,866 49	
Matured interest unpaid		466,575 00	
Working advances due other companies		312,988 85	
			938,337 58
ACCRUED LIABILITIES NOT DUE			
Unmatured interest, dividends and rents payable			263,989 80
DEFERRED CREDIT ITEMS			
Operating reserves		$29,562 32	
Other deferred credit items		4,878 92	
			34,441 24
Total Liabilities			$54,916,768 62

RAILWAY OF SOUTH CAROLINA

STOCK		
Capital stock		
Common stock		$12,000 00
MORTGAGE, BONDED AND SECURED DEBT		
First mortgage bonds		3,000,000 00
WORKING LIABILITIES		
Traffic and car service balances due to other companies	$29,544 80	
Audited vouchers and wages unpaid	20,189 36	
Matured interest unpaid	225,000 00	
		274,734 16
ACCRUED LIABILITIES NOT DUE		
Unmatured interest payable		12,500 00
DEFERRED CREDIT ITEMS		
Other deferred credit items		90 73
Total Liabilities		$3,299,324 89

DETAILS OF OPERATING EXPENSES FOR YEAR ENDED JUNE 30, 1911, COMPARED WITH SAME PERIOD PREVIOUS YEAR

Accounts	Expenses for 1910-1911	Expenses for 1909-1910
Maintenance of Way and Structures	$165,200 50	$135,748 15
Maintenance of Equipment	238,335 53	190,589 41
Traffic Expenses	81,304 65	66,318 09
Transportation Expenses	406,676 47	270,867 65
General Expenses	106,340 54	112,711 14
Totals	$997,857 69	$776,234 44
MAINTENANCE OF WAY AND STRUCTURES:		
Superintendence	$10,735 93	$7,487 23
Ties	3,445 91	3,419 64
Rails	1,861 94	910 47
Other track material	2,572 02	2,574 36
Roadway and track	117,601 17	101,719 31
Removal of snow, sand and ice	126 87	550 40
Tunnels	5,320 79	1,850 04
Bridges, trestles and culverts	5,299 88	5,457 51
Over and under grade crossings	5 50	
Grade crossings, fences, cattle guards and signs	1,427 55	904 72
Signals and interlocking plants	558 20	30 95
Telegraph and telephone lines	3,106 83	3,225 14
Buildings, fixtures and grounds	5,442 26	3,633 77
Roadway, tools and supplies	4,337 05	3,114 61
Injuries to persons	1,999 89	777 00
Stationery and printing	178 51	237 67
Other expenses	26 80	19 12
Maintaining joint tracks, yards and other facilities *Dr.*	1,367 42	321 84
Maintaining joint tracks, yards and other facilities *Cr.*	214 02	485 63
Totals	$165,200 50	$135,748 15
MAINTENANCE OF EQUIPMENT:		
Superintendence	$8,799 63	$5,863 69
Steam locomotives—Repairs	73,147 41	31,029 40
Steam locomotives—Depreciation	4,079 03	9,255 12
Passenger-train cars—Repairs	10,183 28	10,402 45
Passenger-train cars—Depreciation	3,027 20	3,738 81
Freight-train cars—Repairs	83,198 43	52,110 44
Freight-train cars—Renewals	4,622 60	
Freight-train cars—Depreciation	39,482 76	68,873 56
Work Equipment—Repairs	4,791 05	1,253 05
Work Equipment—Renewals	231 50	
Work Equipment—Depreciation	483 24	513 02
Shop machinery and tools	4,300 85	4,364 75
Power plant equipment	338 02	186 76
Injuries to persons	1,185 88	409 21
Stationery and printing	464 65	606 26
Other expenses	....	2,434 81
Maintaining joint equipment at terminals *Cr.*	....	451 92
Totals	$238,335 53	$190,589 41
TRAFFIC EXPENSES:		
Superintendence	$29,345 19	$24,037 45
Outside agencies	27,336 58	22,173 96
Advertising	4,911 36	4,483 92
Traffic associations	360 35	243 41
Industrial and immigration bureaus	8,717 25	5,479 38
Stationery and printing	10,581 54	9,284 73
Other expenses	52 38	615 24
Total expenses	$81,304 65	$66,318 09

DETAILS OF OPERATING EXPENSES FOR YEAR ENDED JUNE 30, 1911, COMPARED WITH SAME PERIOD PREVIOUS YEAR—*Continued*

ACCOUNTS	EXPENSES FOR 1910-1911	EXPENSES FOR 1909-1910
TRANSPORTATION EXPENSES:		
Superintendence	$17,108 08	$11,996 64
Dispatching trains	5,092 52	4,046 15
Station employees	26,833 62	19,848 07
Weighing and car-service associations	773 29	213 83
Station supplies and expenses	4,171 15	2,315 81
Yard masters and their clerks	1,741 75	2,369 37
Yard conductors and brakemen	10,123 83	7,646 79
Yard switch and signal tenders	183 30	43 71
Yard supplies and expenses	3 12	64 13
Yard enginemen	6,322 55	5,601 58
Enginehouse expenses—Yard	1,396 78	1,156 77
Fuel for yard locomotives	5,123 30	4,609 11
Water for yard locomotives	390 93	532 22
Lubricants for yard locomotives	231 25	259 38
Other supplies for yard locomotives	234 92	291 12
Operating joint yards and terminals *Dr.*	5,284 25	3,344 11
Operating joint yards and terminals *Cr.*	2,373 86	1,566 69
Road enginemen	74,943 17	44,395 89
Enginehouse expenses—Road	16,893 42	11,711 76
Fuel for road locomotives	83,421 33	54,468 61
Water for road locomotives	5,685 61	6,035 38
Lubricants for road locomotives	5,377 19	3,800 46
Other supplies for road locomotives	3,488 15	3,356 89
Road trainmen	63,833 65	33,537 96
Train supplies and expenses	13,425 50	10,943 47
Interlockers and block and other signals—operation	3 75	
Crossing flagmen and gatemen	721 58	258 78
Clearing wrecks	5,057 81	4,455 05
Telegraph and telephone—operation	1,059 38	981 34
Stationery and printing	6,765 61	5,606 02
Other expenses	1,258 50	1,115 41
Loss and damage—Freight	6,185 51	5,290 06
Loss and damage—Baggage	227 62	75 00
Damage to property	7,008 86	5,154 78
Damage to stock on right of way	5,475 10	4,157 05
Injuries to persons	21,981 62	11,038 16
Operating joint tracks and facilities *Dr.*	1,593 97	1,933 09
Operating joint tracks and facilities *Cr.*	371 64	219 61
Totals	$406,676 47	$270,867 65
GENERAL EXPENSES:		
Salaries and expenses of general officers	$26,460 76	$33,157 93
Salaries and expenses of clerks and attendants	33,046 28	25,164 65
General office supplies and expenses	7,211 40	7,488 07
Law expenses	26,926 96	27,162 02
Insurance	5,113 85	3,610 64
Stationery and printing	6,572 79	7,200 32
Other expenses	994 00	8,926 71
General administration joint tracks, yards and terminals *Dr.*	14 50	80
Totals	$106,340 54	$112,711 14

TRAFFIC STATISTICS

	Year Ended June 30, 1911	Year Ended June 30, 1910	Increase	Decrease
AVERAGE MILES OF ROAD OPERATED	255.57	232.95	22.62	
PASSENGER TRAFFIC				
Number of passengers	335,894	288,280	47,614	
Number of passengers carried one mile	7,332,573	5,849,207	1,483,366	
Number of passengers carried one mile per mile of road	28,839	25,109	3,730	
Average distance each passenger travelled (miles)	21.83	20.29	1.54	
Total revenue from passengers	$171,504 18	$141,956 03	$29,548 15	
Average amount received from each passenger (cents)	51.06	49.24	1.82	
Average receipts per passenger per mile (cents)	2.34	2.43		0.09
Total passenger train revenue	$208,192 24	$167,599 75	$40,592 49	
Passenger train revenue per mile of road	$818 82	$719 47	$99 35	
Passenger train revenue per train mile (cents)	55.54	60.09		4.55
Average number of passengers per passenger train mile	20.00	21.00		1.00
Average number of passengers per passenger car mile	9.00	10.00		2.00
FREIGHT TRAFFIC				
REVENUE COAL TRAFFIC				
Tons of coal carried	1,404,498	807,034	597,464	
Tons of coal carried one mile	287,233,685	155,995,354	131,238,331	
Tons of coal carried one mile per mile of road	1,129,685	669,652	460,033	
Average distance hauled per ton (miles)	204.51	193.29	11.22	
Total coal freight revenue	$1,140,606 32	$709,579 03	$431,027 29	
Average amount received for each ton (cents)	81.21	87.92		6.71
Average receipts per ton per mile (cents)	0.40	0.45		0.05
Coal freight revenue per mile of road	$4,485 99	$3,046 06	$1,439 93	
Coal freight revenue per train mile	$4 45	$3 35	$1 10	
REVENUE MERCHANDISE FREIGHT				
Tons of merchandise carried	326,907	180,063	146,844	
Tons of merchandise carried one mile	25,731,029	10,998,249	14,732,780	
Tons of merchandise carried one mile per mile of road	101,200	47,213	53,987	
Average distance hauled per ton (miles)	78.71	61.08	17.63	
Total merchandise freight revenue	$448,893 77	$263,777.70	$185,116 07	
Average amount received for each ton	$1 37	$1 46		$0.09
Average receipts per ton per mile (cents)	1.74	2.41		0.67
Merchandise freight revenue per mile of road	$1,765 49	$1,132 33	$633 16	
Merchandise freight revenue per train mile	$1 24	$1 25		$0.01

TRAFFIC STATISTICS—*Continued*

	Year Ended June 30, 1911	Year Ended June 30, 1910	Increase	Decrease
Total Revenue Freight				
Tons of freight carried	1,731,405	987,097	744,308	
Tons of freight carried one mile	312,964 714	166,993,603	145,971,111	
Tons of freight carried one mile per mile of road	1,230,885	716,865	514,020	
Average distance hauled per ton (miles)	180.76	169.18	11.58	
Total freight revenue	$1,589,500 09	$973,356 73	$616,143 36	
Average amount received for each ton (cents)	91.80	98.61	....	6.81
Average amount received per ton mile (cents)	0.51	0.58	....	0.07
Freight revenue per mile of road	$6,251 48	$4,178 39	$2,073 09	
Freight revenue per train mile	$4 38	$4 60	....	$0.22
Average number tons of freight per train mile	861.49	789.19	72.30	
Average number tons of freight per loaded car mile	41.03	38.77	2.26	
All Freight (including company material hauled free)				
Number of tons carried	1,866,931	1,087,785	779,146	
Number of tons carried one mile	325,798,395	177,796,808	148,001,587	
Average number of tons freight per train mile	896.81	840.24	56.57	
Average number tons freight per loaded car mile	42.72	41.28	1.44	
Revenue and Operating Expenses				
Passenger and freight train revenue	$1,797,692 33	$1,140,956 48	$656,735 85	
Passenger and freight train revenue per mile of road	7,034 05	4,897 86	2,136 19	
Gross operating revenue	1,811,755 32	1,151,390 88	660,364 44	
Gross operating revenue per mile of road	7,089 08	4,942 65	2,146 43	
Gross operating revenue per revenue train mile	2 84	2 51	0 33	
Operating expenses (taxes excluded)	997,857 69	776,234 44	221,623 25	
Operating expenses per mile of road	3,904 43	3,332 19	572 24	
Operating expenses per revenue train mile	1 56	1 70	....	$0.14
Net operating revenue	813,897 63	375,156 44	438,741 19	
Net operating revenue per mile of road	3,184 64	1,610 46	1,574 18	
Net operating revenue per revenue train mile	1 27	0 82	0 45	

CLASSIFICATION OF FREIGHT HANDLED DURING YEAR ENDED JUNE 30, 1911, COMPARED WITH SAME PERIOD PREVIOUS YEAR

(NET TONS)

	C. C. & O. RAILWAY		C. C. & O. RY. OF S. C.	
	1911	1910	1911	1910
PRODUCTS OF AGRICULTURE				
Grain	17,386	7,956	2,318	870
Flour	15,937	4,485	7,318	1,981
Other Mill Products	3,540	1,000	1,248	
Hay	8,475	3,766	2,327	222
Tobacco	37			
Cotton	199	6	455	
Fruits and Vegetables	518	55	140	
Other Products of Agriculture	624	196	960	
PRODUCTS OF ANIMALS				
Live Stock	2,609	430	242	
Dressed Meats	876	....	309	
Other Packing House Products	2,217	636	627	350
Poultry, Game and Fish	20	....	20	
Hides and Leather	1,429	1,809		
Other Products of Animals	10,369	....	8,397	
PRODUCTS OF MINES				
Bituminous Coal	1,404,498	807,034	729,577	203,297
Ores	6,946	3,913	20	
Stone, Sand and other like articles	16,114	7,925	1,457	
Other Products of Mines	2,546	26	402	
PRODUCTS OF FORESTS				
Lumber	102,742	65,384	9,676	980
Other Products of Forests	25,481	15,101	4,112	795
MANUFACTURES				
Petroleum and Other Oils	693	359	63	
Sugar	385	95	18	
Naval Stores	46	....	12	
Iron—pig and bloom	2,290	411	232	
Iron and Steel Rails	7,165	5,483	2,202	
Other Castings and Machinery	11,253	12,423	1,265	418
Bar and Sheet Metal	180	....	67	
Cement, Brick and Lime	18,079	13,035	7,667	1,657
Agricultural Implements	2,628	298	683	287
Wagons, Carriages, Tools, Etc.	2,460	349	748	237
Wines, Liquors, and Beers	76			
Household Goods and Furniture	803	70	152	
Other Manufactures	8,986	2,026	2,476	1,236
Merchandise	30,717	28,748	6,749	
Miscellaneous	2,132	....	172	4,362
Total Tonnage	1,710,456	983,019	792,111	216,692

NOTE: The tonnages shown under heading of C. C. & O. Ry. of S. C., with the exception of 20,949 tons for year 1911 and 4,078 tons for year 1910, are included in totals shown under heading of C. C. & O. Ry.; the combined tonnage for 1911 being 1,731,405 tons, and for 1910 987,097 tons, an increase of 744,308 tons.

LIST OF NEW INDUSTRIES ESTABLISHED DURING YEAR ENDED JUNE 30, 1911

SHIPPING POINT	NAME	CHARACTER
Hurricane	J. W. & H. A. Sprinkle	Saw Mill
Hurricane	J. E. Shoffner	Saw Mill
Dungannon	S P. Porter, Jr. & Co	Planing Mill
Dungannon	Abingdon Construction Co	Saw Mill
Dungannon	Big Four Saw Mill Co	Saw Mill
Dingus	Geo. E. Davis Lumber Co	Saw Mill
Dingus	Clinchfield Hardwood Co	Saw Mill
Kingsport	Kingsport Brick Corporation	Brick, Tile, Etc.
Kingsport	Clinchfield Portland Cement Corp'n	Portland Cement
Johnson City	Hice Mfg. Co	Rims, Textile Novelties, Etc.
Johnson City	Tennessee Veneer and Lumber Co	Wood Working Plant
Huntdale	Carolina Lumber Co	Band Saw Mill
Relief	R. S. Lewis & Co	Saw Mill
Forbes	C. E. Howard	Saw Mill
Toecane	Bristol Planing Mill Co	Saw Mill
Young's Siding	Bristol Planing Mill Co	Saw Mill
Young's Siding	Paxton Lumber Co	Saw Mill
Galax	Interstate Lumber Co	Saw Mill
Galax	W. J. Dickson	Saw Mill
Penland	Carolina Mineral Co	Feldspar
Spruce Pine	Harris Clay Co	Kaolin
Spruce Pine	English Mica Co	Ground Mica
Spruce Pine	G. A. Wilkie	Wood Working Plant
Altapass	Moore & Benfield	Saw Mill
Altapass	A. W. King	Logs
Linville Falls	R. H. Winfield	Saw Mill
Linville Falls	J. D. Pitts	Saw Mill
Linville Falls	Coffee Lumber Co	Saw Mill
Sevier	T. T. Adams Co	Band Saw Mill
Westminster	J. C. Hampton	Saw Mill
Bostic	Clemmer & Thomas	Wood Working Plant
Harris	W. M. Webster	Cotton Gin
Chesnee	Campobello Oil Co	Cotton Seed Oil Mill
Chesnee	Chesnee Cotton Mill	Textile Mill

MONTHLY OPERATING REVENUES AND EXPENSES FOR THE YEAR ENDED JUNE

	OPERATING REVENUES					
	COAL FREIGHT	MERCHANDISE FREIGHT	PASSENGER	MAIL AND EXPRESS	MISCELLANEOUS	TOTAL
July, 1910	$56,766 82	$29,796 03	$18,440 94	$1,584 75	$3,671 11	$110,259 65
August, "	70,331 89	36,925 01	21,926 30	1,685 07	3,904 75	134,773 02
September, "	71,764 79	29,333 80	16,441 37	1,802 48	2,903 25	122,245 69
October, "	94,003 66	36,611 32	15,933 44	1,894 05	2,007 61	150,450 08
November, "	103,627 06	40,018 90	12,217 34	1,661 17	1,826 85	159,351 32
December, "	102,208 39	33,041 81	11,710 73	1,680 61	2,204 04	150,845 58
January, 1911	126,192 23	39,938 46	13,448 64	1,629 43	1,344 34	182,553 10
February, "	107,819 24	38,211 99	10,977 08	1,846 29	3,090 72	161,945 32
March, "	91,219 98	52,807 99	11,599 17	1,568 39	1,413 80	158,609 33
April, "	93,794 82	38,947 59	12,223 92	1,580 08	1,399 35	147,945 76
May, "	115,539 60	38,416 33	13,446 03	1,656 96	2,432 86	171,491 78
June, "	107,337 84	34,844 54	13,139 22	1,581 64	4,381 45	161,284 69
Total year ended June 30, 1911	$1,140,606 32	$448,893 77	$171,504 18	$20,170 92	$30,580 13	$1,811,755 32
Total year ended June 30, 1910	709,579 03	263,777 70	141,956 03	17.213 76	18,864 36	1,151,390 88
Increase	$431,027 29	$185,116 07	$29,548 15	$2,957 16	$11,715 77	$660,364 44
Decrease	....	....	....	....	....	....
Increase, per cent.	60.74	70.18	20.81	17.17	62.11	57.35
Decrease, per cent.	....	....	....	....	....	....

THE RATIO OF EACH CLASS OF REVENUE TO TOTAL OPERATING REVENUES IS AS FOLLOWS:

	1911	1910	INCREASE OR DECREASE
Coal Freight....	62.95	61.63	1.32
Merchandise Freight..	24.78	22.91	1.87
Passenger	9.47	12.32	*2.85*
Mail and Express...............	1.11	1.49	*.38*
Miscellaneous..	1.69	1.65	.04

30, 1911, COMPARED WITH TOTALS FOR THE YEAR ENDED JUNE 30, 1910

OPERATING EXPENSES						Net Operating Revenue
Maintenance of Way and Structures	Maintenance of Equipment	Traffic Expenses	Transportation Expenses	General Expenses	Total	
$10,603 35	$23,004 36	$5,779 25	$26,522 46	$8,760 85	$74,670 27	$35,589 38
11,469 12	18,928 16	6,992 49	28,256 76	8,961 36	74,607 89	60,165 13
14,798 56	13,011 77	5,957 56	27,959 40	9,384 02	71,111 31	51,134 38
12,361 70	17,385 52	6,228 39	30,459 74	7,509 54	73,944 89	76,505 19
15,854 51	19,545 78	6,346 61	34,999 21	7,881 78	84,627 89	74,723 43
15,065 57	17,255 18	6,051 19	38,618 48	9,454 72	86,445 14	64,400 44
16,805 05	23,960 98	7,488 31	39,840 53	9,560 94	97,655 81	84,897 29
13,448 83	21,382 14	6,534 47	35,016 16	9,487 92	85,869 52	76,075 80
13,760 59	18,636 67	7,036 12	33,273 37	8,615 39	81,322 14	77,287 19
13,777 57	20,343 52	7,282 56	34,854 54	8,530 23	84,788 42	63,157 34
14,303 69	22,748 67	7,968 97	40,175 51	8,139 19	93,336 03	78,155 75
12,951 96	22,132 78	7,638 73	36,700 31	10,054 60	89,478 38	71,806 31
$165,200 50	$238,335 53	$81,304 65	$406,676 47	$106,340 54	$997,857 69	$813,897 63
135,748 15	190,589 41	66,318 09	270,867 59	112,711 14	776,234 44	375,156 44
$29,452 35	$47,746 12	$14,986 56	$135,808 82	....	$221,623 25	$438,741 19
....	....	....	....	$6,370 60		
21.70	25.05	22.60	50.14	....	28.55	116.95
....	....	....	....	5.65		

THE RATIO OF EACH CLASS OF OPERATING EXPENSES TO TOTAL OPERATING REVENUES IS AS FOLLOWS:

	1911	1910	Decrease
Maintenance of Way and Structures	9.12	11.79	2.67
Maintenance of Equipment	13.15	16.55	3.40
Traffic Expenses	4.49	5.76	1.27
Transportation Expenses	22.45	23.53	1.08
General Expenses	5.87	9.79	3.92

STATEMENT OF MILEAGE OF TRACK OPERATED

		June 30, 1911	June 30, 1910	Comparison with June 30, 1910	
				Increase	Decrease
OWNED					
Main Line					
In Virginia: Dante to Va.—Tenn. State Line		51.88	51.88		
In Tennessee: Va.—Tenn. State Line to Johnson City, Tenn	33.35				
Johnson City, Tenn. to Tenn.—North Carolina State Line	21.63				
		54.98	54.98		
In North Carolina		116.61	116.61		
In South Carolina (Carolina, Clinchfield and Ohio Railway of S. C.)		17.95	17.95		
		241.42	241.42		
Branches and Spurs					
In Virginia: Dante, Va., to Tipple No. 2	0.78				
Dante, Va., to Foot of Switchback	1.27				
		2.05	2.05		
In Tennessee: Carnegie Spur		3.02	3.02		
In North Carolina: Bostic Yard to Bostic, N. C.		.80	.80		
		5.87	5.87		
LEASED					
Main Line					
In Virginia: Kiser to Laurel Junction		5.60	4.32	1.28	
In Tennessee: E. T. & W. N. C. R. R. in Johnson City, Tenn		.63	.63		
		6.23	4.95	1.28	
Branches and Spurs					
In Virginia: Spur Hurricane Junction to End of Track		1.52	1.14	.38	
Spur Laurel Junction to Laurel Tipple		3.39		3.39	
		4.91	1.14	3.77	
TRACKS USED JOINTLY					
In Virginia: N. & W. Ry. Kiser to St. Paul, Va		8.45	8.45		
Grand Total		266.88	261.83	5.05	
Total Mileage operated*		256.10	254.82	1.28	
Average Mileage operated*		255.57	232.95	22.62	
First track, owned, operated and leased		258.43	253.38	5.05	
First track, used jointly		8.45	8.45		
Sidings, owned		85.22	78.94	6.28	
Sidings, leased		6.35	3.84	2.51	
Total, All Tracks		358.45	344.61	13.84	

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* Excludes spur lines on which no regular trains are run.

SIDINGS, SPURS AND ADDITIONAL YARD TRACKS, BUILT DURING YEAR ENDED JUNE 30, 1911.

OWNED.

MILE POST		MILES
	Sidings at Tipple No. 2, Dante, Va	.276
	Sidings at Sprinkle Saw Mill, Dante, Va	.056
42.4	Engine Track No. A at Dante Yard	.070
42.4	Engine Track No. B at Dante Yard	.043
42.4	Engine Track No. C at Dante Yard	.112
47.0	Interchange Track No. 3 with N. & W. Ry. at Fink, Va	.333
48.5	Interchange Track with N. & W. Ry. at St. Paul, Va	.263
72.1	Siding, Harris Mfg. Co., near Ft. Blackmore, Va	.048
73.5	Extension of Greer Siding	.011
75.9	Siding at Starnes Tunnel	.136
76.4	Scaffold Car Track at Starnes Tunnel	.056
76.5	Unloading Track at Starnes Tunnel	.091
86.1	Siding to Quarry, Clinchfield Portland Cement Corp., Speer's Ferry, Va	.165
86.1	Extension of Interchange Track with V. & S. W. Ry. at Speer's Ferry, Va	.066
99.2	Tracks to serve Clinchfield Portland Cement Corp., Kingsport, Tenn	1.045
99.3	Additional Tracks, Kingsport Yard	.793
125.0	Siding, Normal School, Johnson City, Tenn.	.350
126.2	Siding, Summers-Parrott Co., Johnson City, Tenn.	.095
	Extension Archer Siding for Hice Mfg. Co., Johnson City, Tenn	.017
	Siding for Electric Light Plant at Erwin, Tenn	.057
	Additional Yard Tracks at Erwin, Tenn	.462
146.5	Siding for John Ryburn, near Unaka Springs, Tenn	.050
159.0	Siding for Carolina Lumber Co.	.068
171.1	Siding for J. H. Garland (Woody)	.042
173.7	Siding for Bristol Planing Mill Co. (Waulita)	.073
174.8	Siding for Young, near Toecane	.072
190.4	Siding for English Mica Co., Spruce Pine, N. C	.060
193.0	Wye Track at Altapass Yard	.327
194.3	Siding for Company use at Ridge	.233
205.5	Siding for Meadows Co., near Honeycut Loop	.086
216.7	Siding for C. E. Howard at Sevier, N. C	.045
251.0	Extension Bostic Yard—Scales	.075
251.0	Extension Bostic Yard—Coal Storage Plant	.393
251.0	Extension Bostic Yard—Coal Storage Plant	.203
268.1	Siding for Chesnee Cotton Mill, Chesnee, S. C.	.266
277.5	Extension Passing Siding, Padgett, S. C	.547
282.2	Extension Spartanburg Yard, 2d Coach Track	.201
282.8	Extension Spartanburg Yard, 3d Interchange (Sou. Ry.) Track	.275
52.6	Station Siding at Burton's Ford, Va	.047
67.5	Station Siding at Wood, Va	.106
87.8	Station Siding at Kermit, Va	.069
120.5	Extension Station Siding at Indian Ridge, Tenn.	.027
178.2	Extension Station Siding at Galax, N. C.	.017
195.3	Extension Station Siding at Mt. Mitchell, N. C.	.014
221.3	Station Siding at Hankins, N. C	.050
230.4	Station Siding at Glenwood, N. C	.053
238.9	Extension of Station Siding at Thermal, N. C	.017
254.1	Station Siding at Forest City, N. C	.044
277.1	Station Siding at Padgett, S. C	.051
	Total	8.056
	Tracks removed during year	1.766
	Net length of tracks added	6.280

SIDINGS, SPURS AND ADDITIONAL YARD TRACKS, BUILT DURING YEAR ENDED JUNE 30, 1911—*Continued*

LEASED

Mile Post		Miles
	Extension to Upper Banner Mine Track on Laurel Fork	0.100
	Upper Banner Mine, Track A, at Tipple on Laurel Fork	0.032
	Upper Banner Mine, Track B, at Tipple on Laurel Fork	0.127
	Upper Banner Mine, Track C, at Tipple on Laurel Fork	0.190
	Upper Banner Mine, Track 1, at Tipple on Laurel Fork	0.070
	Extension to Lower Banner Mine Track on Laurel Fork	0.323
	Lower Banner Mine, Track No. 1, at Tipple on Laurel Fork	0.238
	Lower Banner Mine, Track No. 2, at Tipple on Laurel Fork	0.069
	Storage Siding No. 1, 1.5 miles above Laurel Junction on Laurel Fork	0.292
	Storage Siding No. 2, 1.5 miles above Laurel Junction on Laurel Fork	0.249
	Siding for J. W. Sprinkle Saw Mill on Laurel Fork	0.056
	Siding for Clinchfield Coal Corp. Power House on Laurel Fork	0.056
	Siding for Clinchfield Coal Corp. Power House on Hurricane Branch	0.117
	Siding at Tipple No. 2 on Hurricane Branch	0.143
27.9	Wye Tracks at Clinchfield Yard	0.409
37.4	Cross-over in Clinchfield Yard	0.035
37.9	Cross-over in Clinchfield Yard	0.035
	Total	2.591
36.3	Flint Siding Removed	.083
	Net Length Added	2.508

EXPENDITURES FOR ADDITIONS AND BETTERMENTS CHARGED TO CAPITAL ACCOUNT, FOR THE YEAR ENDED JUNE 30, 1911

Right of way and real estate—Credit	*$1,637 51*
Widening cuts and fills	1,378 95
Grade revisions and changes of line	3,798 66
Tunnel improvements	43,075 28
Bridges, trestles and culverts	6,055 93
Ballast	27,219 17
Additional main tracks	254 48
Sidings and spur tracks	48,107 06
Terminal yards	2,600 37
Fencing right of way	1,541 20
Interlocking and other signal apparatus	5,495 90
Telegraph and telephone lines	5,306 44
Station buildings and fixtures	5,771 92
Shops, engine houses and turntables	8,776 44
Shop machinery and tools	4,936 08
Water and fuel stations	3,477 89
Miscellaneous structures	3,654 98
Steam locomotives	125,030 41
Passenger-train cars	120,370 17
Freight-train cars	3,892 66
Work equipment	32,186 41
Interest, discount and commission	1,619 75
Total	$452,912 64

ADDITIONS AND BETTERMENTS

One portal and 658 feet of concrete lining placed in Shannon tunnel. This completed lining the tunnel, which is 820 feet long, at a total cost of $42,177.

404 lineal feet of concrete lining placed in Starnes tunnel.

An aggregate of 140 lineal feet of timber reinforced lining placed in Twin, 2d Washburn, Quinns, 3d Rocky and Honeycut tunnels, also 20 lineal feet lining in Blue Ridge tunnel.

3,000 lineal feet of protection of banks near Huntdale from erosion by the Toe River was effected by covering with large stone.

Additions were made to yards at Dante, Fink, Erwin, Bostic and Spartanburg.

Overhead bridges were built at Lancaster Road and at Westminster Road, thus abolishing two grade crossings near Westminster Station.

Shelter sheds have been erected at Boone, Indian Ridge, Mt. Mitchell, Linville Falls, Avery, Thermal and Harris.

A new station has been built at Kingsport, Tennessee.

A 60,000 gallon tank has been erected at Dante, Virginia.

One oil house erected at Erwin—metal frame with corrugated metal covering.

5.1 miles of right of way fencing has been built.

Automatic signals extending from Vance tunnel 7½ miles south have been installed and placed in service.

Automatic signals have been installed at Clinch Mountain tunnel, and protect a block 1½ miles in length.

MAINTENANCE OF EQUIPMENT

LOCOMOTIVES

Type	Owned June 30, 1910	Added During Year		Owned or Leased June 30, 1911	Weight and Tractive Power	
		By lease under trust	By purchase		Average Weight	Average Tractive Power
Mogul (2-6-0)	1			1	126,000	21,400
Ten-wheel (4-6-0)	5			5	158,420	27,480
Consolidation (2-8-0)	2			2	146,500	33,580
Consolidation (2-8-0)	17			17	199,150	43,882
Mallet (2-6-6-2)	1	6	4	11	375,373	76,786
Pacific (4-6-2)	0	3		3	235,000	37,140
Total	26	9	4	39	9,325,500	1,907,410
Average					239,116	48,908

Obsolete and held for disposal (not included above) as of June 30, 1911, Nos. 5 6, 7, 32, 33, 36, 37. Total 7.

	Year Ended June 30, 1911	Year Ended June 30, 1910	Increase	Decrease
Number of locomotives through shop	39	31*	8	
Number of locomotives in shop at end of year	4	2	2	
Average amount expended per locomotive in service for repairs	$2,151 39	$970 39	$1,180 80	

*Included 5 locomotives now obsolete.

PASSENGER CARS

Average amount expended for repairs and cleaning per passenger car owned	$343 85
Number of passenger train cars through shop	4
Number of passenger train cars in shop at end of year	2

Owned and in Service	Construction	Year Ended June 30, 1911	Year Ended June 30, 1910	Increase	Decrease
Postal, baggage and express	Wood	0	1		1
Combination, baggage and mail	Wood	1	3		2
	Steel under frame	2	2		
	Steel	6	6		
Express	Wood	1	0	1	
Coaches	Wood	1	1		
	Steel under frame	24	12	12	
Other cars in passenger service	Wood	1	1		
Business cars	Steel under frame	1	1		
	Wood	1	1		
Total		38	28	13	3

MAINTENANCE OF EQUIPMENT—*Continued*

FREIGHT CARS

Average amount expended for repairs per freight cars owned	$32.67
Total number of freight cars repaired	22,028

Owned and in Service	Description	Capacity in Pounds	Year Ended June 30, 1911	Year Ended June 30, 1910	Increase	Decrease
Box	Wood	60,000	235	235		
Box	Steel underframe	60,000	250	250		
Flat	Wood	40,000	3	6	....	3
Flat	Wood	50,000	9	16	....	7
Flat	Wood	60,000	106	111	....	5
Flat	Steel	100,000	100	100		
Gondolas	Steel	100,000	750	750		
Hoppers	Steel	100,000	3,350	2,350	1,000	
Caboose	Steel underframe	....	16	16		
Camp	Wood	....	21	20	1	
Ballast (old hopper and gondolas)	Wood	60,000	72	92	....	20
Dump	Steel	....	20	20		
Pile driver	Steel underframe	....	1	1		
Derrick	Steel	....	1	1		
Steam shovels	Steel underframe	....	2	2		
Scoop	Wood	....	2	2		
Spreaders	Wood	....	3	3		
Totals	....	....	4,941	3,975	1,001	35

All cars equipped with air brakes.				
Freight Car Equipment				
Number of revenue cars in service	4,866	3,818	1,048	
Tonnage capacity	228,015	178,400	51,755	
Average tonnage capacity	46.86	46.73	0.13	
Freight Locomotives				
Number	31	21	10	
Total tractive power, pounds	1,658,590	884,590	774,000	
Average tractive power, pounds	53,503	42,123	11,380	

EQUIPMENT PERFORMANCE

	YEAR ENDED JUNE 30, 1911	YEAR ENDED JUNE 30, 1910	INCREASE	DECREASE
LOCOMOTIVES				
COST PER MILE RUN (Cents)				
Enginemen	8.71	6.89	1.82	
Enginehouse Expenses	1.96	1.77	.19	
Fuel	9.49	8.15	1.34	
Water	.65	.91	....	.26
Lubricants	.60	.56	.04	
Other Supplies	.40	.50	....	.10
Repairs and Renewals	7.84	4.28	3.56	
Depreciation	.43	1.28	....	.85
Total cost per locomotive mile (cents)	30.08	24.34	5.74	
Pounds coal consumed per locomotive mile	246.73	187.85	58.88	
Pounds coal consumed per freight locomotive mile	365.56	273.34	92.22	
Pounds coal consumed per passenger locomotive mile	106.86	76.15	30.71	
Pounds coal consumed per mixed locomotive mile	245.66	167.18	78.48	
Pounds coal consumed per special locomotive mile	106.86	66.62	40.24	
Pounds coal consumed per switching locomotive mile	178.90	164.60	14.30	
Pounds coal consumed per non-revenue locomotive mile	214.06	239.70	....	25.64
Locomotive miles per ton of coal	8.11	10.65	....	2.54
Freight locomotive mile per ton of coal	5.47	7.32	....	1.85
Passenger locomotive mile per ton of coal	18.72	26.26	....	7.54
Mixed locomotive mile per ton of coal	8.14	11.96	....	3.82
Special locomotive mile per ton of coal	18.72	30.02	....	11.30
Switching locomotive mile per ton of coal	11.18	12.14	....	.96
Non-revenue locomotive mile per ton of coal	9.34	8.34	1.00	
Locomotive miles run per pint of oil	12.83	14.30	....	1.47
Average number of locomotives in service per month	34.00	26.00	8.00	
Average miles per locomotive per month	2,271	2.324	....	53
PASSENGER CARS				
Pounds coal consumed per passenger train car mile	47.47	26.98	20.49	
Number passenger cars handled one mile per ton of coal	42.14	74.13	....	31.99
FREIGHT CARS				
Pounds coal consumed per freight car mile (excluding caboose)	12.25	7.80	4.45	
Number freight cars handled one mile per ton of coal	163.29	256.37	....	93.08

MILEAGE STATISTICS

	Year Ended June 30, 1911	Year Ended June 30, 1910	Increase	Decrease
Locomotive Mileage				
Of revenue freight trains	392,078	296,719	95,359	
Of revenue passenger trains	269,356	242,839	26,517	
Of revenue mixed trains	107,749	33,162	74,587	
Of revenue special trains	8,048	5,764	2,284	
Of revenue switching service	73,322	59,502	13,820	
Of non-revenue trains	82,682	87,218		4,536
Total	933,235	725,204	212,567	4,536
Net increase			208,031	
Train Mileage				
Of revenue freight trains	256,465	178,440	78,025	
Of revenue passenger trains	267,217	241,886	25,331	
Of revenue mixed trains	106,819	33,162	73,657	
Of revenue special trains	7,963	5,525	2,438	
Of non-revenue trains	81,449	74,249	7,200	
Total	719,913	533,262	186,651	
Car Mileage and Statistics				
Mileage of loaded freight cars	7,626,953	4,307,083	3,319,870	
Mileage of empty freight cars	6,235,758	3,548,343	2,687,415	
Mileage of caboose cars	257,378	190,257	67,121	
Total mileage of freight train cars	14,120,089	8,045,683	6,074,406	
Mileage of passenger cars	768,698	609,624	159,074	
Mileage of sleeping, parlor, and observation cars	17,674	6,398	11,276	
Mileage of other passenger train cars	377,697	274,848	102,849	
Total mileage of passenger train cars	1,164,069	890,870	273,199	
Mileage of special cars	39,459	41,510		2,051
Mileage of non-revenue cars	909,787	1,032,189		122,402
Average number of loaded cars in each freight train	20.99	20.35	0.64	
Average number of empty cars in each freight train, excluding caboose	17.16	16.77	0.39	
Average number of cars in each freight train excluding caboose	38.15	37.12	1.03	
Percentage of loaded cars in each freight train	55.0	54.8	0.2	
Average number of passenger train cars in each passenger train	3.11	3.25		0.14

MAINTENANCE OF WAY AND STRUCTURES.

A large slide at Honeycut loop required the construction of a temporary track around it for passage of trains until it could be removed.

Total Expenditure for Maintenance of Way and Structures, $165,200.50, or $646.40 per mile operated.

WEIGHT OF RAIL IN MAIN TRACK YEAR ENDED JUNE 30, 1911.

	C. C. & O. Railway		C. C. & O. Railway of S. C.		Total
	Main Line	Branches	Main Line	Branches	Main Line and Branches
	Miles	Miles	Miles	Miles	Miles
Owned					
90-lb. Rail	2.95	....	....	....	2.95
85-lb. Rail	220.52	2.85	17.95	....	241.32
60-lb. Rail	....	3.02	.. ..	....	3.02
Total owned	223.47	5.87	17.95	....	247.29
Leased					
85-lb. Rail	6.23	4.91	....	....	11.14
Total owned and leased	229.70	10.98	17.95	....	258.43

The above does not include 8.45 miles Norfolk & Western Ry. from St. Paul to Kiser, over which the Company has trackage rights, but does include lines leased from the Elkhorn Southern Ry. and the E. T. & W. N. C. R. R. in Johnson City.

7,492 cross ties used in maintaining existing tracks.

BALLAST IN MAIN TRACK ON JUNE 30, 1911.

Additional ballast placed on tracks during the year as follows :

	Virginia	Tennessee	North Carolina	South Carolina	Total
Stone—cubic yards	2,904	3,762	2,948	1,826	11,440
Slag " "	8,844	7,634	11,660	682	28,820
Sand " "	1,804	924	3,620	660	7,008
Total	13,552	12,320	18,228	3,168	47,268

General distribution of all ballast is as follows :

	Main Line		Branch Line	
	C., C. & O. Ry.	C., C. & O. Ry. of S. C.	C., C. & O. Ry.	Total
	Miles	Miles	Miles	Miles
Stone	152.17	7.92	0.42	160.51
Slag	62.78	2.30	12.65	77.73
Sand	4.60	7.33	3.62	15.55
Bridges	3.92	0.40	0.32	4.64
Total	223.47	17.95	17.01	258.43

Tracks used jointly, excluded.
In general, stone ballast used in cuts and on old embankments.
Slag and sand used on embankments liable to settlement.

COMPARATIVE STATEMENT OF MATERIAL AND SUPPLIES ON HAND—JUNE 30, 1911

	JUNE 30, 1911	JUNE 30, 1910	INCREASE.	DECREASE.
Air brakes and parts	$1,267 20	$1,067 70	$199 50	
Asbestos, brick and cement	3,208 86	772 52	2,436 34	
Axles and wheels	2,258 20	2,454 17		$195 97
Bolts, nuts, rivets and screws	812 80	1,488 46		675 66
Brass and bronze	2,879 61	2,095 83	783 78	
Car trimmings	631 53	404 86	226 67	
Castings (rough)	11,130 43	7,554 51	3,575 92	
Couplers	2,017 50	2,293 34		275 84
Dry goods, rope and twine	177 25	217 44		40 19
Electrical material	1,925 52	1,805 29	120 23	
Finished articles	902 55	538 29	364 26	
Flues and flue ends	2,036 09	316 40	1,719 69	
Fuel	21,071 97	948 05	20,123 92	
Frogs and switches	5,763 92	11,923 60		6,159 68
Glass, glassware, etc	257 09	151 53	105 56	
Hardware	289 57	467 43		177 86
Headlights and lamps	268 32	244 21	24 11	
Hose and rubber goods	1,703 20	1,251 74	451 46	
Iron—bar	10,355 55	9,188 38	1,167 17	
Iron—sheet	842 38	684 64	157 74	
Injectors, lubricators, etc	546 43	362 99	183 44	
Lumber	15,191 88	18,413 60		3,221 72
Metals—sheet, copper, etc	1,271 50	924 75	346 75	
Oils and waste	2,787 30	1,251 63	1,535 67	
Paints, varnishes and drugs	1,405 10	1,680 26		275 16
Pipe and fittings, valves	2,548 87	3,000 12		451 25
Rails	19,769 13	10,710 62	9,058 51	
Rail fastenings	7,623 17	19,604 27		11,981 10
Steel car material	1,724 30	223 56	1,500 74	
Springs	1,324 57	1,413 36		88 79
Tires (steel)	237 24		237 24	
Ties (cross)	1,535 24	7,725 02		6,189 78
Tools and machinery (shop)	649 60	295 98	353 62	
Track tools	456 25	402 95	53 30	
Trucks, scales, water tanks	1,939 88	4,469 34		2,529 46
Material not enumerated above	2,641 24	986 91	1,654 33	
Explosives	4,311 04	5,191 68		880 64
Quarry supplies	6,139 91	8,066 28		1,926 37
Fencing material	1,647 08	2,376 64		729 56
Semaphores	1,127 97	1,378 63		250 66
Turntables	7,202 63		7,202 63	
Total	$151,879 87	$134,346 98	$53,582 58	$36,049 69
Net Increase			$17,532 89	